

Rural Health Centers – October 25, 2019 Meeting Handout

RHC Identified Issues

The Department has less information about these issues but has heard some feedback about them. If your issue is misrepresented or not included here, please let us know.

- 1) MDs cannot prescribe diabetic shoes. The Department will not pay a practice when they dispense diabetic shoes. An MD can prescribe diabetic shoes, but the patient has to get them from a Durable Medical Equipment (DME) supplier. If an RHC provides a patient with diabetic shoes, they can bill for the other services provided and receive the RHC encounter rate.
 - a. Solution: Unknown, need more information such as claim numbers and call center reference numbers.
- 2) RHCs are having issues with services that need prior authorization. Per the Department, the PA process doesn't apply to RHC when billing encounter claims. Only fee schedule claims have to comply with prior authorization.
 - a. Solution: Unknown, need more information such as claim numbers and call center reference numbers.
- 3) RHCs are not receiving proper communication from RAEs regarding behavioral health services and PMPM payments.
 - a. Solution: RHCs can find more information on the Department's web site (<https://www.colorado.gov/pacific/hcpf/accountable-care-collaborative-phase-ii-provider-and-stakeholder-resource-center#Provider%20Resources>) and from the field representatives (<https://www.colorado.gov/pacific/hcpf/regional-provider-support>).
 - b. Anticipated Resolution Date: ASAP

Department Priorities

Prospective Payment System Issues

- 4) The Department can modify PPS rates based on an RHC's change in the scope of services using more recent cost and visit data. The Department has yet to create a change in scope rate adjustment methodology.
 - a. Solution: Create a change in scope rate adjustment methodology.
 - b. Anticipated Resolution Date: 2020
- 5) The Department currently sets PPS rates for new freestanding RHCs based on an average of other freestanding PPS rates in their RAE region. The Department needs to formalize this methodology and could potentially create a new PPS rate setting methodology.

- a. Solution: Either formalize the current region-based PPS rate setting methodology or set PPS rates for new freestanding RHCs based on cost report data.
 - b. Anticipated Resolution Date: 2020
- 6) The Department currently sets PPS rates for new hospital based RHCs based on their first cost report that has been finalized and audited by CMS. The Department needs to formalize this methodology and could potentially create a new PPS rate setting methodology.
 - a. Solution: Either formalize the current cost report-based PPS rate setting methodology or set PPS rates for new hospital-based RHCs differently.
 - b. Anticipated Resolution Date: 2020

Managed Care Issues

- 7) Managed Care Entities (MCEs) such as HMOs, CHP+, and RAEs are required to reimburse RHCs at their per-visit encounter rate. The Department is required to ensure RHCs are paid properly by MCEs. The Department has a FQHC Managed Care Accuracy Audit Report (MCAAR) process to ensure FQHCs are paid at least their per-visit encounter rate, but does not have a process for RHCs.
 - a. Solution: Create an MCAAR process for RHCs.
 - b. Anticipated Resolution Date: 2020

Other Issues

Alternative Payment Methodology Issues

- 8) The Department currently sets freestanding APM RHC rates based on the current year Medicare-UGL rate. This is a very low APM and is below every RHC's PPS rates. The Department is interested in exploring a new APM for freestanding RHCs, potentially using more update cost report information.
 - a. Solution: Create a new APM for freestanding RHCs.
 - b. Anticipated Resolution Date: 2021?
- 9) The Department currently sets hospital-based RHC APM rates at the greater of the current PPS rate and the most recent, finalized cost per visit from the hospital's cost report. Every year, the Department uses the most recent rates from the finalized cost reports to reconcile prior payment periods. This means RHCs are only reimbursed an interim rate and must deal with either large recoupments or underpayment up front with a later payment made. The Department is interested in exploring a new APM for hospital-based RHCs, potentially removing the reconciliation process.
 - a. Solution: Create a new APM for hospital-based RHCs.
 - b. Anticipated Resolution Date: 2021?